

HOUSE BILL No. 1948

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-21-5-12.

Synopsis: Rights of real estate buyer to insurance proceeds. Provides that under certain circumstances, the seller of residential real property is liable to the buyer for insurance proceeds the seller receives due to a material change in the physical condition of the property, if the material change occurs after the seller delivers the residential real estate disclosure form but before the closing.

Effective: July 1, 2003.

Thompson, Chowning

January 23, 2003, read first time and referred to Committee on Insurance, Corporations and Small Business.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1948

A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 32-21-5-12, AS ADDED BY P.L.2-2002,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 12. (a) An owner does not violate this chapter if
4 the owner subsequently discovers that the disclosure form is inaccurate
5 as a result of any act, circumstance, information received, or agreement
6 subsequent to the delivery of the disclosure form. However, at or before
7 settlement, the owner is required to disclose any material change in the
8 physical condition of the property or certify to the purchaser at
9 settlement that the condition of the property is substantially the same
10 as it was when the disclosure form was provided.
11 (b) If at the time disclosures are required to be made under
12 subsection (a) an item of information required to be disclosed is
13 unknown or not available to the owner, the owner may state that the
14 information is unknown or may use an approximation of the
15 information if the approximation is clearly identified, is reasonable, is
16 based on the actual knowledge of the owner, and is not used to
17 circumvent the disclosure requirements of this chapter.



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- 1 **(c) If the owner:**
2 **(1) knows, or reasonably should know, at the time of closing,**
3 **that the disclosure form submitted under this chapter to the**
4 **buyer of the owner's property is inaccurate as a result of a**
5 **material change in the physical condition of the property that**
6 **occurred after the delivery of the disclosure form but before**
7 **the time of closing; and**
8 **(2) receives insurance proceeds due to this material change;**
9 **the owner is liable to the buyer for the amount of the insurance**
10 **proceeds received with respect to the material change and all**
11 **reasonable costs incurred by the buyer in collecting the proceeds,**
12 **including reasonable attorney's fees and court costs.**

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